

Canadian Cottons Limited

MONTREAL, CANADA

EIGHTH ANNUAL REPORT

FOR YEAR ENDING 31st MARCH, 1918

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 17TH MAY, 1918

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CHAS. R. HOSMER

Vice-President

A. O. DAWSON

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GEORGE CAVERHILL SIR H. MONTAGU ALLAN

W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

TO THE SHAREHOLDERS:

YOUR Directors have pleasure in submitting the Eighth Annual Report of your Company for the year ending March 31st, 1918

After making allowance for depreciation and War Taxes, Manufacturing Profits and Rentals amount to \$836,125.99 as compared with \$766,258.51 last year.

Bond Interest and Dividends on Preferred and Common Stocks were paid, amounting to \$551,587.50, and \$10,000.00 was added to the Reserve for bad debts, leaving a balance of \$274,538.49 to carry to the credit of Profit and Loss Account, which at the close of the year amounts to \$1,873,109.49.

Notwithstanding the shortage of labor prevailing throughout Canada, the output of your mills has been quite up to expectations.

Raw Cotton, Mill Supplies, and other commodities and machinery have continued to advance in price during the year until, at the present moment, Raw Cotton is higher than at any time since the American Civil War.

During the summer season of 1917 an order for Shelter Tent Duck, which has just been completed, was obtained from the United States Government, and the Directors are pleased to state that the cloth delivered has given entire satisfaction.

The D. Morrice Company, Limited, which, since the Company's inception, acted as Selling Agents for the Company's products, has relinquished the Agency, and your Company will in future sell its own output; all the members of the staff of the Morrice Company have joined the Company's Selling Department, so that the Trade is assured of the same careful attention in the future as it has received in the past. The Directors desire to place on record their full appreciation of the Morrice Company's successful efforts to serve the best interests both of the Trade and of the Company over a period of many years.

It gives the Directors pleasure to testify to the admirable manner in which the officers and employees of the Company have assisted in securing the results obtained. A further substantial advance in wages was made during the year to enable our people to meet the continually increasing cost of living.

The outlook for the coming year, subject to the uncertainties incident to war conditions, is encouraging. A world-wide shortage of cotton fabrics assures your mills of a constant demand for all the goods that they can produce.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHAS. R. HOSMER,

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDIN

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Mainte- nance, proportion deferred charges and War Taxes to date - - - - -	\$6,859,511.83
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To Balance	
Net Profits to Profit and Loss Account - -	926,615.89
	<u>\$7,786,127.72</u>

PROFIT AND

FOR YEAR ENDIN

To Bond Interest 5% - -	\$209,700.00
Four Dividends of 1½% each on Preferred Shares - -	219,690.00
Three Dividends of 1% each and one Dividend of 1½% on Common Shares - - -	<u>122,197.50</u>
	\$551,587.50
Reserve for Bad Debts - -	10,000.00
Depreciation on Plant - -	290,000.00
Balance forward - - -	274,538.49
	<u>\$1,126,125.99</u>

tons, Limited

ING ACCOUNT

31ST MARCH, 1918

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By Sales - - - - - \$7,573,777.03

Add inventory of Cloth and Cotton in process of
Manufacture, 31st March, 1918 - - - 737,597.65
\$8,311,374.68

Less inventory of Cloth and Process on hand
31st March, 1917 - - - - - 525,246.96
\$7,786,127.72

LOSS ACCOUNT

31ST MARCH, 1918

By Net Manufacturing Profits - - - - - \$926,615.89

By Rentals, Mount Royal Spinning Mill, etc. - 199,510.10
\$1,126,125.99

Canadian Cotton

GENERAL

YEAR ENDING

ASSETS

Cash	-	-	-	-	-	\$18,728.32
Book Debts, net cash basis, Bills						
Receivable and Sundry Open						
Accounts	-	-	-	-	-	1,661,038.37

Inventory of

Cloth	-	-	\$529,981.79
Process and Yarns	216,966.40		
Raw Cotton	-	1,415,797.75	
Supplies	-	277,912.96	
Insurance unearned	56,251.00		
			<u>2,496,909.90</u>

Total Current Assets \$4,176,676.59

Bonds, available against Liability - 494,000.00

Stocks in other Companies and
advances, including Discount on
Bonds - - - - - 238,800.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - \$10,961,998.59
\$15,871,475.18

Montreal, 1st May, 1918

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

tons. Limited

STATEMENT

31ST MARCH, 1918

LIABILITIES

Bank Advances	-	-	-	\$1,868,666.37	
Open Accounts including Estimated Tax Reserve	-	-	-	563,431.69	
Bond Interest accrued and Divi- dends payable April 4th	-	-	-	148,155.00	
Bills Payable	-	-	-	278,112.63	
Total Current Liability					\$2,858,365.69

<u>BONDS</u>	-	-	-	-	5,000,000.00
Less redeemed	-	-	-	-	312,000.00
					4,688,000.00

CAPITAL

Preferred Authorized,					
\$4,500,000.00	-	-	Issued	3,661,500.00	
Common Authorized,					
\$3,500,000.00	-	-	Issued	2,715,500.00	
Reserve for Bad Debts	-	-			75,000.00

SURPLUS

Balance at Credit of Profit and Loss, 31st March, 1917	-	1,598,571.00			
Balance of Profits to 31st March, 1918		274,538.49			
					1,873,109.49
<u>INDIRECT LIABILITIES</u>					\$15,871,475.18
Customers' paper under discount	\$508,004.07				

CHAS. R. HOSMER }
A. O. DAWSON } Directors.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st of March, 1918.

I have obtained all the information and explanations required, and now certify that in my opinion the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

Montreal, May 1st, 1918.

